

Compliance Assessment Sampling Plan – Additional Sampling Issues (Auto Industry – 8708.99.8080 “Basket Provision”)

CAT KIT Exhibit 18

Attribute, Test, Error(s) & Criteria	Sampling Parameters	Universe	Potential Sampling Frame(s)	Evaluation of Compliance Testing & Actions Needed
<p>Attribute: Did the importer properly categorize auto parts under HTSUS 8708.99.8080 (8080)?</p> <p>Test (Primary Audit Steps): Obtain part specifications, style description, etc. for each sampled product and provide to import specialist for review.</p> <p>Errors: Importer misclassified merchandise under HTSUS 8708.99.8080 (8080)</p> <p>Criteria for Performing a Separate Sample: • The percentage of 8080 parts exceeds 5% (8708.99.8080 value divided by all 8708 value). • A trend analysis of 8080 history shows that the use of the 8080 HTSUS is increasing. • CAT determined that a separate sample was necessary to review this trade area.</p> <p>The CAT determines the criteria for performing additional sampling issues (e.g., risk, trade enforcement plan, interventions, etc.) “8080 parts” is used here as an example of an additional sampling issue. This sampling plan is to be modified for trade issues other than the 8080 example above as indicated in 2.7K of the audit program. The sampling parameters and evaluation process should remain the same.</p>	<p>Approach: attribute estimation sampling using the average error rate (point estimate) for evaluating compliance</p> <p>Confidence Level: 95%</p> <p>Sampling Error (Precision): ±5% (10% range)</p> <p>Anticipated Error Rate: 5%</p>	<p>8708.99.8080 line items on Customs entries made during the importer’s last completed fiscal year</p>	<p>Customs’ Records 8708.99.8080 Line Items</p> <p>Importer’s Records Inventory. of 8708.00.8080 Articles</p> <p>Sampling Frame: _____</p> <p>Validated Sample: • Yes • No</p> <p>Frame Size: _____</p> <p>Sample Size: _____</p>	<p>LOL Compliance Rate: ____ %</p> <p>Systemic/Non-Systemic or Recurring Errors? – If systemic, recommend importer correct cause of error(s). – If recurring, project the effect and recommend collection of unpaid duties and fees. – If non-recurring, recommend collection of duties and fees on identified errors.</p> <p>• LOL Error Rate ≤ 5% – If internal controls were documented, 8708.99.8080 compliance is acceptable. – If internal controls were not documented, coordinate with the Account Manager to help company develop a CIP.</p> <p>• LOL Error Rate > 5% Apply materiality criteria. (CAT Kit Exhibit 32)</p> <p>Materiality Compliance Rate: ____ %</p> <p>• Materiality Compliance Rate is acceptable – If internal controls were documented, 8708.99.8080 compliance is acceptable. – If internal controls were not documented, coordinate with the Account Manager to help company develop a CIP.</p> <p>• Materiality Compliance Rate is unacceptable – If materiality error rate is not acceptable, coordinate with the Account Manager to help company develop a CIP.</p> <p>Prepare results sheet and refer to the Enforcement Evaluation Team (EET) if findings meet the EET impact level for referral.</p>